

## REMARKS

Claims 6 and 7 remain pending after this amendment.

Claim 6 has been amended to recite the entire system, a plurality of vendors accepting the same smart card, and the absence of smart card processing.

Support for this amendment may be found on page 15, lines 11-20, and on page 16, lines 11-13 of the Specification.

Applicants respectfully traverse the rejection of the claims under 35 U.S.C. 103 in view of Tedesco et al. and Seifert et al. for the reasons outlined below.

Tedesco discloses a smart card issuing device that can accept payment in various forms including credit cards. It does not operate in connection with any vending installation, and does not maintain or process any data related to the operator of a vending installation.

Seifert discloses temporarily storing records of monies received from a potential purchaser (not received by a vendor). The stored records are later debited upon request by the purchaser to pay for goods or services, and the amount debited is transferred or otherwise paid to the seller of the goods or services.

The applicants submit that the cited references do not anticipate or render obvious the elements recited in Claim 6 as now amended.

None of the references discloses a system for handling payments by way of a smart card acceptable by a plurality of vendors where the card is not associated with the card holder money account.

Metro smart card, mentioned by the Examiner and debitable chip-carrying cards sold by

phone companies can only be used on the card issuer's facilities.

On the other hand, devices that issue smart cards for cash such as the one disclosed in Urquhart, et al., do not provide online debiting of vendor account for the amount of currency accepted.

On page 3 of the Final Rejection, the Examiner states: "In view of Seifert et al.'s teachings, it would have been obvious . . . to employ into the teachings of Tedesco a card reader with means of writing/encoding data on the smart card so as [to] update the card holder account information during the financial transaction."

The updating of the card holder account information is not recited in the pending claims. In fact, one of the critical advantages of the invention is the fact that no processing of any card holder account is necessary. Tedesco, et al. is about a vending machine used to implement a marketing effort. It focuses on the customers, not the vendors.

One, attempting to devise a point-of-sale system that uses a universal form of "plastic cash" unrelated to any particular buyer or buyer's account, would not be likely to look at this reference for inspiration.

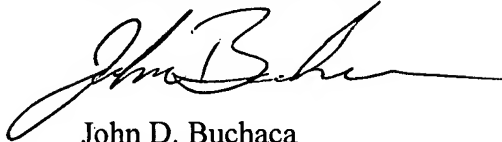
The same may be said of Seifert, et al. that focuses on money transfers between individuals or their bank accounts.

Moreover, it would be unlikely and practically useless to combine the marketing/vending machine of one reference with the banking machine of the other, considering that neither one suggests any means (a) to balance account between vendors that use the same form of payment card, or (b) to create a new money title unrelated to its bearer.

In view of the above, applicants submit that the pending claims define a new and

non-obvious way to achieve the aforesaid (a) and (b) purposes.

Respectfully submitted,




John D. Buchaca  
Registration No. 37,289

1545 Hotel Circle South, Suite 150  
San Diego, California 92108-3426  
Telephone: (619) 294-2922  
Fax No. (619) 294-8674

040580

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on October 10, 2005, by John D. Buchaca, Reg. No. 37,289.

Signature:  Date: Oct 10, 2005